

Kathy Maggio

Pima Utility Company

W-02199A-11-0329

SW-02199A-11-0330



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ORIGINAL

Date: March 29, 2012

Arizona Corporation Commission

Commissioners: Paul Newman, Brenda Burns, Gary Pierce, Bob Stump, and Sandra D. Kennedy

Commissioners Wing

1200 West Washington

Phoenix, Az. 85007-2996

RE: Docket Number W-02199A-11-0329

Docket Number SW-2199A-11-0330

Dear Mr. Newman, Ms. Burns, Mr. Pierce, Mr. Stump and Ms. Kennedy:

I am writing this letter to state my objections to the Pima Utility Company's request for a rate increase of the size they are suggesting. They have said they haven't raised water rates for nearly 16 years and 12 for wastewater. Increases are often necessary however, after all this time so suddenly! Wouldn't the rising cost be gradual? And wouldn't you make small adjustments yearly? This increase they are suggesting in irrigation water from \$0.36 per thousand gallons to \$0.70 per thousand equals a 94.44% increase. The effluent water increase is a 23.01% increase and costs more to produce than irrigation water, which we have to use. Very strange that something that cost more to produce would have a lesser increase.

It appears the PIMA income tax expense of the shareholders is being passed to the users, us the ratepayer. While our personal investment returns and social security increases are at an all time low. Meaning Pima and the shareholders will double their rate of return on equity to 10.5%. PIMA is loaning excess cash to affiliates rather than paying shareholders or further paying down debt to reduce their interest expense. Instead a new loan requests from PIMA for \$2,500,000 to pay their shareholders another large distribution.

In closing please look closely at the reasoning for an increase of this size.

Sincerely,

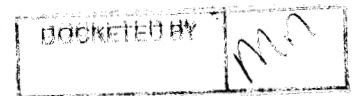
Kathleen M. Maggio

Kathleen M Maggio

Arizona Corporation Commission

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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

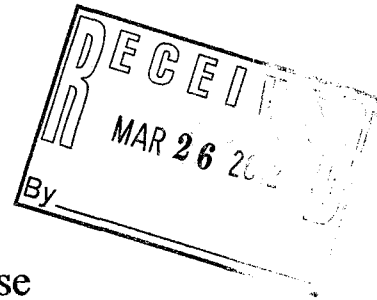
2012 APR - 2 P 12:42

RECEIVED

TO: Arizona Corporation Commission Members

RE: Pima Utility Company Proposed Rate Increase

FROM: Mr. & Mrs. Robert T. Bonnes
10146 E. Minnesota Ave.
Sun Lakes, Arizona



The increase in irrigation water, per thousand gallons of water, would mean a 94.44% increase to users! Of all times to ask for any increase, this is probably the worst! Our economy has done a number on most households in America, and now gasoline prices have made us prisoners in our own home! Even if we have health insurance, we can't afford to drive to the doctor.

Pima and the shareholders want to double their rate of return on equity to 9.47%. We would be happy to double our CD interest rate to 4%, after several years of decline. We cannot get a loan, to pay "us" back for what we have lost, since CD interest went from 6% to under 2%.

Allowing this proposed increase would have a very negative "ripple" effect on homeowners in the Sun Lakes area, and that would add up to well over 10,000 votes! Something to think about.

Your consideration of the homeowners in Sun Lakes will be greatly appreciated.

Sincerely,

Robert T. Bonnes

Antonio Gill

From: Shirley PECHOUS [enspechous@msn.com]
Sent: Monday, March 26, 2012 10:03 AM

My name is Shirley Pechous and I live at 25845 S. Ribbonwood Drive, Sun Lakes, AZ 85248. This residence is my year-round home. I am a customer of Pima Utility Company who provides this area with water. I am aware of their attempt, through the Arizona Corporation Commission to gain a highly unreasonable rate increase. I am a widow, and like most of the residents of this community, live solely on my retirement income, which is fixed and with no way to increase that income. I highly object to this company's attempt to gouge me for water rates. I have no alternative but to deal with these people and I resent their attempt to take advantage of me. I respectfully request that you deny them the opportunity of taking advantage of me, as well as my neighbors in this CottonwoodPaloVerde area.
Sincerely,

Shirley Pechous

Antonio Gill

From: Betty Mills [blmills1@aol.com]
Sent: Sunday, March 25, 2012 6:43 AM
To: Newman-Web; Burns-Web; Pierce-Web; Kennedy-Web; Stump-Web
Subject: Pima Utility Proposed Increase

Commissioners: I recently read of the proposed increase by Pima Utility Company. I live in Sun Lakes and am a customer of this utility. The proposed rate increase of 94.44% is ridiculous. I would hope that you, as commissioners, would place yourselves in the shoes of the customers of this company. Would you find this a reasonable increase for a business? If any of us were to go to a retail establishment and find they have increased their product by 94.44%, we would stop doing business with them. In this case, we have no choice, no other business to choose. As the stewards of the utilities in our State, please do not allow such an increase.

Regards,

Betty L. Peer
8836 E Player Dr
Sun Lakes, AZ

Antonio Gill

From: Denise & Don Peterson [dpeterson986@comcast.net]
Sent: Sunday, March 25, 2012 8:05 AM
To: Newman-Web; Burns-Web; Pierce-Web; Kennedy-Web; Stump-Web
Subject: Pima Utility Rate Increase For Sun Lakes

March 24, 2012

Donald & Denise Peterson
26206 S Brentwood Drive
Sun Lakes, AZ 85248

Dear Commissioners Mr. Paul Newman, Ms. Brenda Burns, Mr. Gary Pierce, Ms. Sandra Kennedy and Mr. Bob Stump:

We as homeowners in Sun Lakes, oppose the excessive raising of our irrigation water and effluent water rates. The gradual increases should have been made on your part over the years.

I am not opposed to raising of the rates but it becomes a hardship on all of us if this is done in one year. Allowing for income tax expense of the shareholders to be passed onto the ratepayers is not right.

You commissioners have the authority to keep rates in line and not let the utility company get away with excessive shareholder payouts. Sun Lakes is a small community with people with small incomes please don't make our financial lives harder than they already are.

Sincerely,

Don and Denise Peterson

Antonio Gill

From: felazjack1@aol.com
Sent: Sunday, March 25, 2012 12:20 PM
To: Newman-Web; BERNs-WEB@AZCC.GOV; Pierce-Web; STOMP-WEB@AZCC.GOV
Subject: PIMA WATER

**PLEASE PLEASE.....MOST PEOPLE HERE ARE RETIRED HERE....AND WITH ALL THE TAX INCREASES AND
GOODS HIGHER THAN EVER WE ARE HAVING A DIFFICULT TIME LIVING ON OUR MONIES.....CONSIDER US
PLEASE !!!!! DO NOT INCREASE OUR WATER BILLS**

**THANK YOU
JOHN COLBY FELICIA COLBY
9309 E. NAVAJO PL
SUN LAKES AZ 85248**

[REDACTED]

Antonio Gill

From: Gail and Gary Assenmacher [gassenmacher@yahoo.com]
Sent: Sunday, March 25, 2012 2:43 PM
To: Pierce-Web
Subject: Proposed Increase of Pima Utility Water Rates

Dear Commissioner Pierce,

We are customers of the Pima Utility Company and reside at 10818 E. Navajo Dr. in the Palo Verde area of Sun Lakes. We have been notified by the Pima Utility Company that it has filed a request with the Arizona Corporation Commission to increase water and wastewater rates in the near future. A hearing will be held on this matter May 29, 2012.

Pima's filing indicates a general 29.2% increase for water and a 22.2% increase for wastewater. The proposed increase is greater than the 29.2% indicated in the filing because the water meter fee no longer includes the first 1,000 gallons of water.

While we understand that Pima has not increased their rates for a number of years, the proposed increase from \$0.36 per thousand gallons to \$0.70 per thousand gallons amounts to a 94.4% irrigation water increase. Sun Lakes has beautiful golf courses and other landscaping that require watering. Almost doubling the rates Pima charges for irrigation seems very much out of line. Last year our HOA paid Pima \$171,560 for the water used in the watering of our common areas and the irrigating of our golf courses. If this proposed rate increase goes into effect, it will cost our HOA **\$327,680** for watering these same areas. Our homeowner association dues and annual golf fees will be significantly increased to pay for the additional water charges. And, of course, the amount charged for residential water usage will also increase.

We would very much appreciate it if the Arizona Corporation Commission would deny the request of the Pima Utility Company to raise its water and wastewater rates by such a large amount.

Sincerely,

N. Gary and Gail Assenmacher

Antonio Gill

From: L8coil [l8coil@aol.com]
Sent: Monday, March 26, 2012 6:17 AM
To: Newman-Web; Burns-Web; Pierce-Web; Kennedy-Web; Stump-Web
Subject: Pima Utility Company Irrigation Water Rate Increase

My husband and I own property in Sun Lakes. We recently learned Pima Utility has proposed a 94.4% irrigation water rate increase.

We understand the cost of everything has gone up in the United States. We realize every company has operating expenses they must cover.

We ask, however, that you question this *HUGE* increase. Seniors don't have the disposable income they once did and even have to watch expenditures on necessities.

Hopefully, you will recommend Pima consider a smaller rate increase until the economy improves.

Dave & Lisa Coil

Antonio Gill

From: azcig@q.com
Sent: Friday, March 30, 2012 1:34 PM
To: Newman-Web; Newman-Web; Burns-Web; Pierce-Web; Kennedy-Web
Subject: utilityWater & Sewer Rates

Reference:

Water - Docket No. W-02199A-11-0329
Sewer - Docket No, SW-02199A-11-0330

I have been advised that Pima Utility is requesting a 22 % increase in water and sewer rates.

There service area is Sun Lakes, AZ which is a retirement community. Most of the residents here are on fixed incomes and an increase of such magnitude on both our individual utility bill and the increase in our Homeowners Association dues would be devastating to all the homeowners of the community.

I am well aware that all businesses need to make a profit to exist, but an increase of the this size in today's economy would definitely put a strain on the budget of all homeowners.

As a homeowner in the community I implore you to review this request with due diligence.

Charles Gerson
9136 E Diamond Dr
Sun Lakes, AZ 85248
[REDACTED]

Antonio Gill

From: Marie Kruger [mkrug62@wbhsi.net]
Sent: Friday, March 23, 2012 4:23 PM
To: Newman-Web
Subject: Pima Utility Company water rate increase

From: Mr. and Mrs. Glenn Kruger
25403 S. Illinois Ave.
Sun Lakes, Az 85248

We are residents of Sun Lakes Phase I and would ask you to look very carefully at Pima Utility's request for a water rate increase.

We realize that some sort of a increase is probably needed, but fail to see the need for a nearly double jump in the rate. We are very careful to conserve our personal water usage now, and I don't know how we could cut down our usage any more. As you know, the majority of Sun Lakers are on fixed incomes and this would be a real hardship on most.

We would not only be responsible for our own usage, but the increase in the common area water rate would drive our annual dues to an extreme. Please keep these facts in mind, as you work on this.

Thank you for your consideration in this matter.

Antonio Gill

From: Fred Cerruti [fpcerruti@gmail.com]
Sent: Friday, March 30, 2012 11:36 AM
To: Newman-Web
Cc: Burns-Web; Pierce-Web; Kennedy-Web; Stump-Web
Subject: Protest Water rate increases

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To the Arizona Corporation Commission

Paul Newman, Brenda Burns, Gary Pierce, Sandra Kennedy, Bob Stump

I'm not an activist but your disgusting maneuvering of fees, which overall, is a huge rate increase no matter what you devise to explain such a repulsive political move. Sure I can understand costs go up and some adjustments have to be made and that's your job. But this cash shell game is what makes us "common" folks really mad. That's me. Say I don't understand... sure enough. I think maybe you should get some of us "common" folks to review what the hell is going on.

Fred Cerruti, home owner Palo Verde section, 11003 E. Regal Dr. Sun Lakes, AZ 85248

Antonio Gill

From: Linda Smart [agent_99_rocks@yahoo.com]
Sent: Friday, March 30, 2012 2:36 PM
To: copy to me
Subject: Proposed increase PIMA WATER & SEWER

Dear Commissioner,

I would like to voice my strong opposition to the very large proposed increase in water and sewer rates by PIMA for the Sun Lakes community.

WATER Docket# W-02199A-11-0329
SEWER Docket# SW-02199A-11-0330

The very large 29% and 22% increases, respectively, represent a larger increase than any household has received in cost of living. The utilities go higher while the income remains the same (or for some folks, the income has declined).

Notable is the fact that the irrigation water rate is proposed to increase by 94%; obviously, the households will end up paying for that through our common-area hoa dues increases. Again an imposition on the homeowners' budgets because PIMA wants a huge rate increase.

If the cost of doing business is increasing for PIMA, then how can they afford to make loans to their affiliates? If they have excess cash, use it to operate the business; don't merely find ways to get even MORE excess cash. They should pay down their debt with their excess cash and reduce their interest expenses (just like any responsible household or business should do).

Are they just trying to get more cash in order to pay even more money to their shareholders? What about those of us who are shareholders in businesses who cannot pay large distributions? Why should PIMA shareholders be any different than the rest of the country, (at the homeowners' expense...)

Please reject their rate increase, thereby forcing them to make a more reasonable rate increase proposal.

Thank you.

Linda Smart
23729 S. Vacation Way
Sun Lakes 85248

Antonio Gill

From: Derwin Dugger [duggeraz@centurylink.net]
Sent: Friday, March 30, 2012 2:35 PM
To: Pierce-Web
Subject: Pima Utility Proposed rate increase

Dear Mr. Pierce

I am writing to you to urge you to not approve the forthcoming rate increase for water & sewer by Pima Utilities. Being a customer of Pima Utilities and living in Sun Lakes this rate increase request is an exorbitant amount especially the irrigation amount of 94.4%. This high of amount all at one time is a very strong indication of very poor management or an example of a company attempting to take advantage of its customers.

It has been reported the rates are being increase to provide a return of 10.5% on equity for their shareholders. Speculators in the market usually do not receive that high of a return so for a utility company to expect that type of a return does not make any business sense at all.

Thank you in advance for your assistance in denying this rate proposal.

Sincerely

Derwin & Ramona Dugger
11136 E. Flintlock Drive
Sun Lake, AZ 85248
duggeraz@centurylink.net

Antonio Gill

From: JacobusAJu@aol.com
Sent: Friday, March 30, 2012 2:07 PM
To: Pierce-Web
Subject: Fwd: Pima Utility Co. requested rate increase

Water - Docket No. W-02199A-11-0329

Sewer - Docket No, SW-02199A-11-0330

Hello Gary Pierce,

I've been told by my Sun Lakes HOA #3 that Pima Utility Co. of which I am a customer, intends to increase our water rates by some 29.2% and our sewer rates by some 22.2%. Not only will this drastically increase our monthly water bill, but also our HOA would be obliged to increase our HOA dues by another percentage amount to cover the substantially increased costs of watering the common grounds. This is not a fair increase considering that most of us seniors are on fixed incomes and as you may know, Social Security hasn't increased our COLA for 2 consecutive years and just now for 2012 increased our Soc. Sec. by 3.2%

I request you consider NOT to approve Pima's request for the excessive rate increase, but perhaps a more reasonable percentage in line with our Government's published index for inflation percentages (2.2%?) Thank you for your cooperation

Jacobus Jurgens
9525 E. Champagne Dr.
Sun Lakes, AZ. 85248

Antonio Gill

From: jmhouse@wbhsi.net
Sent: Thursday, March 29, 2012 2:12 PM
To: Newman-Web; Burns-Web; Pierce-Web; Kennedy-Web; Stump-Web
Cc: Steve Nolan; Kathy Skrei
Subject: Pima Utility Proposed Rate Increases

Dear Commissioners:

Please carefully review the Water and Sewer rate increases requested by the Pima Utility Company for the Sun Lakes Communities. Their letter to the homeowners seemed quite innocent, but when carefully examined the 29.9 % rate increase indicated for individual homeowner water is actually greater because the water meter fee no longer includes the first 1,000 gallons of water. But more importantly, they did not spell out the outrageous 94.4 % increase for irrigation water that each homeowner will ultimately have to pay.

We homeowners in Cottonwood Palo Verde of Sun Lakes pay for all of the water used for irrigation of our common areas. Our HOA cannot absorb an increase of that magnitude, thus it would result in a significant increase in homeowner dues this coming year.

Pima has been and still is poorly managed. Their feed lines to our homes are continually breaking because of poor design and workmanship. Some homes have not had a meter reading in months. It's almost impossible to get them to help resolve a problem. And of course, they say they have not had an increase in rates in years. Whose fault is that?

They want to allow income tax expense of the shareholders to be passed to the ratepayers. They want to double their rate of return on equity to 9.47%. There is a new loan request from them for \$2,500,000 to pay their share holders another large distribution and they are loaning their excess cash to affiliates rather than paying shareholders or further paying down debt to reduce their interest expense.

They are trying to pass along the cost of years of poor management to their customers in Sun Lakes. We cannot afford to have another corporate entity bailed-out with our money.

We will appreciate any consideration you can give to our problem.

Sincerely,

Jerold and Marlene House
Sun Lakes

Antonio Gill

From: victor lesch [viclesch@hotmail.com]
Sent: Thursday, March 29, 2012 2:23 PM
To: Newman-Web
Cc: Burns-Web; Pierce-Web; Kennedy-Web; Stump-Web
Subject: Pima water rate increase

Please reconsider the increase in water rates as it will greatly affect our expenses as an individual and that of the association here in Sun Lakes. We have a beautiful senior community with many amenities which we enjoy. With the proposed increases not only will our individual utility go up but with the common areas and that of our golf courses.

Thank you,

Victor and Barbara Lesch

Antonio Gill

From: Nigbur, Michael A., P.A.-C. [nigbur.michael@mayo.edu]
Sent: Thursday, March 29, 2012 2:46 PM
To: Pierce-Web
Subject: Pima water rates

Hello

I am a current Pima customer in Sun Lakes.

Do everything you can to prevent our water and sewer rates from going up by this exorbitant rate

thanks

Antonio Gill

From: Mike Maurer [mikemaurer@wbhsi.net]
Sent: Thursday, March 29, 2012 10:50 AM
To: Pierce-Web
Subject: OPPOSED TO PIMA RATE INCREASES

Mr. Gary Pierce
Arizona Corporation Commission
Commissioners Wing
1200 West Washington
Phoenix AZ 85007-2956

Dear Commissioner Pierce,

I am opposed to the exorbitant proposed rate increases being requested by THE PIMA WATER AND SEWER UTILITY COMPANY in:

Docket Numbers:
Water - Docket No. W-02199A-11-0329 & Sewer – Docket No, SW-02199A-11-0330

Please vote against these increases.

As a senior homeowner trying to live on a fixed income, this increase would impose a significant hardship on me and the entire Sun Lakes retirement community of more than 10,000 senior homeowners.

Please vote against this proposal of major price increase during these difficult economic times. These changes would severely impact me and our entire senior community.

Sincerely,

Michael P. Maurer
24604 S Lakeway Circle SE
Sun Lakes, AZ 85248

Antonio Gill

From: linbob72@wbhsi.net
Sent: Monday, March 26, 2012 8:28 PM
To: Newman-Web; Burns-Web; Pierce-Web; Kennedy-Web; Stump-Web
Subject: Pima utility rate increase

To AZ Corp. Commission:

Please read the following about the rate increase by Pima Utility.

Increase in irrigation water from \$0.36 per thousand gallons to \$.070 per thousand equals a 94.44% increase.

- Effluent water increase is a 23.01% increase and costs more to produce than irrigation water.
- Allowing for income tax expense of the shareholders to be passed to the ratepayers.
- Pima and the shareholders want to double their rate of return on equity to 10.5%.
- New loan request from Pima for \$2,500,000 to pay their shareholders another large distribution.
- Pima is loaning their excess cash to affiliates rather than paying shareholders or further paying down debt to reduce their interest expense.

Thank you for your consideration. Linda Brooks, resident of Cottonwood and a Pima Utility customer.

Antonio Gill

From: Melmelr@aol.com
Sent: Tuesday, March 27, 2012 10:41 AM
To: Pierce-Web
Subject: PIMA UTILITY RATE PROPOSALS

March 27, 2012

Dear Mr. Gary Pierce,

As seventeen year customers of Pima Utility, we are quite concerned over the proposed water increases.

- The increase calculated is greater than the 29.2% indicated in the filing because the water meter fee no longer includes the first 1,000 gallons of water.
- Increase in irrigation water from \$0.36 per thousand gallons to \$0.70 per thousand equals a 94.44% increase. This is bad water as it has a high salt & calcium content. Our Association is always under the allotted amount of usage.
- Effluent water increase is a 23.01% increase and costs more to produce than irrigation water.
- Allowing for income tax expense of the shareholders to be passed to the ratepayers.
- Pima and the shareholders want to double their rate of return on equity to 9.47%.
- New loan request from Pima for \$2,500,000 to pay their shareholders another large distribution.
- Pima is loaning their excess cash to affiliates rather than paying shareholders or further paying down debt to reduce their expense.

We are hoping that you will carefully consider our concerns. This will undoubtedly have an impact on our homeowners dues as our Association budget cannot absorb this increase.

Respectfully submitted,

Milton & Melaine Rasmussem

25248 S. Cloverland Drive

Sun Lakes, Az. 85248 - 8820



Antonio Gill

From: CAROL ORMSBY [skyqueendance@q.com]
Sent: Tuesday, March 27, 2012 6:33 PM
To: Pierce-Web
Cc: Ed Narkiewicz; Ethel FRAASE; WILLARD PIKE
Subject: SUN LAKES, PIMA UTILITY AZ WATER PRICE HIKE protest

Dear Commissioner Pierce:


WOULD YOU LIKE ALL YOUR HOUSEHOLD FEES TO INCREASE 97%?

Please put a *STOP* to the Sun Lakes PIMA 97% water hike.

A 97% increase is outright ROBBERY. There should be a ceiling ladder system regarding how much water can be increased at one time. **PLEASE STOP THIS SIGNIFICANT PIMA PRICE INCREASE ACTION WITH ALL YOUR INFLUENCE !!**

I'll be watching to see if you VOTE NO to stop this high price increase..... I may/maynot vote for you next time around. This is a deal breaker.

I am a retired 65 yr old citizen with only Social Security coming in. I am barely hanging on to my property with what little money I have. With food prices, gas prices, insurance.....I will be forced to sell my upside down house this year if these price heights continue around me, not to mention our SunLakes Country Club cannot afford to water our GOLF COURSES..... which is why people come here to live. This will, in turn, cause our DUES to go UP and bring about more ASSESSMENTS. We just had a \$300 assessment approved last month. I helped put you in office with my vote. Please vote against this action.

Sincerely,
Carol Ormsby, PIMA UTILITY CUSTOMER
25634 S. Ontario Dr.
Sun Lakes, AZ 85248


PIMA UTILITY PROPOSED RATE INCREASE

Irrigation:

Sun Lakes Country Club / HOA#1 Golf Course and Common areas water cost for 2011 was \$103,605 (\$48.44 per unit/lot).

Under the proposed rate this will become \$201,454 (\$94.18 per unit/lot).

This is an annual increase of \$97,949 (\$45.74 per unit/lot).

Calculations based upon 2,139 Sun Lakes Phase I units.

Old Rate - \$.36 / 1000 gallons.

Proposed rate \$.70 / 1000 gallons (94.44% increase)

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"When God closes one door, He opens another."

Have a blessed day.

Carol Ormsby
SkyQueenDance

Jane Seibert <janeseibert@wbhsi.net>
Pima Utility proposed increase
March 23, 2012 2:13 PM

My name is Jane Seibert. My address is 25455 S. Glenburn Dr. in Sun Lakes, AZ 85248. I have been a customer of Pima Utility since 1986. The proposed increase of irrigation water of 94%, the increase of effluent water of 23% and the increase of the shareholder's equity of 10 1/2% is inconceivable. I have to live on Social Security and , as you know, if and when there have been increases they have been minute.

Everyone is entitled to a fair price for their services, but please keep in mind the senior citizens on a fixed income when you make your decision.

Thank you, Jane Seibert

A handwritten signature in black ink, appearing to be 'J Seibert', written in a cursive style.